

FISHERIES SUBSIDIES - DE MINIMIS EXEMPTION

Communication from Canada

The following communication, dated 30 April 2008, is being circulated at the request of the Delegation of Canada.

Introduction

1. During the course of the fisheries subsidies negotiations, various Members have suggested that any eventual prohibition of subsidies to the fisheries sector should also include an exemption for programs in support of small-scale fishing activities, or small programs. However, while several alternatives have been raised and discussed in the negotiating group, the terms small programs, small-scale fishing and artisanal fishing activities have proven very difficult to define to the group's satisfaction.

2. Many discussions on this issue have been related to these issues in relation to developing countries. While Canada certainly agrees that small-scale or artisanal fishing activities are an issue that must be addressed in the context of developing countries, it has often stated that this issue is, in fact, a reality for many Members, developing country and developed country members alike. The Chairman's first draft text proposal provided special and differential treatment that would seem to be directed at this issue for developing countries, but was silent on this issue with respect to other Members.

3. In line with the belief that disciplines should be transparent, workable, enforceable, and build on existing ASCM principles, Canada is proposing to add a provision to the fisheries annex, proposed as paragraph "f" under Article II: General Exceptions, that would allow Members to provide a certain amount of support to fishing activities within waters subject to a Member's national jurisdiction, as long as the value of programs does not exceed a set percentage of the landed value of fish harvested in these waters. As part of Article II, this new provision would be subject to all other provisions of the proposed Annex. That is, any subsidies provided under this provision would be subject to the Member having a fisheries management system pursuant to Article V of the Chairman's proposed Annex, and the notification provisions of Article VI of the proposed Annex.

4. In this context, Canada is pleased to present for Members' consideration, the following proposal for an additional provision in Article II of the Chairman's proposed Annex VIII of the SCM Agreement. This proposal should not be regarded as Canada's final position on this issue.

New Text Provision for Annex VIII, Article II(f)

Article II

General Exceptions

Notwithstanding the provisions of Article I, and subject to the provision of Article V:

(a) ...

(f) *Nothing in Article I shall prevent a Member from providing subsidies referred to in Article I that do not otherwise fall under the provisions of this Article or Article III, provided that*

(1) the subsidies are exclusively in support of fisheries conducted within waters subject to its jurisdiction, and

(2) the annual amount of such subsidies per Member provided under this exception does not exceed X% of the average landed value of fish harvested in these waters for the three preceding years for which data is available.
